



Registration of a Charge

Company name: **SCREENREACH INTERACTIVE LIMITED**

Company number: **07007633**



X3CR9AVF

Received for Electronic Filing: **23/07/2014**

Details of Charge

Date of creation: **21/07/2014**

Charge code: **0700 7633 0003**

Persons entitled: **NORTHSTAR VENTURES LIMITES AS SECURITY TRUSTEE**

Brief description: **ALL FUTURE FREEHOLD AND LEASEHOLD PROPERTY OF THE BORROWER TOGETHER WITH ALL BUILDINGS, FIXTURES (INCLUDING TRADE FIXTURES) AND FIXED PLANT AND MACHINERY FROM TIME TO TIME THEREON; ALL PRESENT AND FUTURE INTERESTS OF THE BORROWER IN OR OVER LAND OR THE PROCEEDS OF SALE OF IT AND ALL PRESENT AND FUTURE LICENCES OF THE BORROWER TO ENTER UPON OR USE LAND; ALL RENT RECEIVABLE FROM ANY LEASE GRANTED OUT OF ANY FREEHOLD OR LEASEHOLD PROPERTY PRESENT AND FUTURE VESTED IN OR CHARGED TO THE BORROWER OR IN WHICH IT OTHERWISE HAS AN INTEREST; THE BENEFIT OF ALL OTHER AGREEMENTS RELATING TO LAND WHICH THE BORROWER IS OR MAY BECOME PARTY OR OTHERWISE ENTITLED; ALL PLANT, MACHINERY, VEHICLES AND COMPUTER EQUIPMENT OF THE BORROWER (PRESENT AND FUTURE) INCLUDING BUT NOT LIMITED TO THE EQUIPMENT TOGETHER WITH ALL RIGHTS, TITLE AND INTEREST OF THE BORROWER UNDER ANY AGREEMENTS RELATING TO THE PURCHASE, LEASE, HIRE PURCHASE OR MAINTENANCE OF THE SAME; ALL PATENTS, UTILITY MODELS, TRADE MARKS AND SERVICE MARKS (WHETHER REGISTERED OR NOT), BRAND AND TRADE NAMES, REGISTERED AND UNREGISTERED DESIGN RIGHTS, RIGHTS IN PASSING OFF, DATABASE RIGHTS, COPYRIGHTS, COMPUTER PROGRAMS, INVENTIONS, CONFIDENTIAL INFORMATION, KNOW-HOW, TRADE SECRETS AND ALL OTHER INTELLECTUAL OR INTANGIBLE PROPERTY OR RIGHTS IN EACH CASE NOW OR IN THE FUTURE HELD BY THE BORROWER (WHETHER ALONE OR JOINTLY**

WITH OTHERS) ANYWHERE IN THE WORLD AND INCLUDING ANY EXTENSIONS AND RENEWALS OF, AND ANY AND ALL APPLICATIONS FOR THE PROTECTION THEREOF AND ALL LICENCES AGREEMENTS AND ANCILLARY AND CONNECTED RIGHTS AND BENEFITS INCLUDING ALL ROYALTIES FEES AND OTHER INCOME FROM THE SAME BOTH PRESENT AND FUTURE OF THE BORROWER; THE BENEFIT OF ALL AGREEMENTS AND LICENCES NOW OR IN THE FUTURE ENTERED INTO OR ENJOYED BY THE BORROWER IN ANY PART OF THE WORLD OF ANY SUCH RIGHTS AS ARE REFERRED TO IN CLAUSE 4.1.2.8 OF THE DEBENTURE BUT OWNED BY OTHERS

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **WILLIAM MCCULLOUGH**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7007633

Charge code: 0700 7633 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st July 2014 and created by SCREENREACH INTERACTIVE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd July 2014 .

Given at Companies House, Cardiff on 24th July 2014

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 21/07/ **2014**

Screenreach Interactive Limited

and

Northstar Ventures Limited as Security Trustee

.....

Debenture

Contents

Clause	Page
1. Definitions and Interpretation	1
2. Trust.....	4
3. Covenant to Pay	4
4. Fixed and Floating Charges.....	4
5. Continuance of Security	7
6. Crystallisation	7
7. General Covenants.....	7
8. Representations and Warranties	9
9. Debts.....	9
10. Equipment	10
11. Power to Remedy.....	11
12. Enforcement.....	11
13. Receiver	12
14. Application of Proceeds	13
15. Protection of Third Parties	14
16. Protection of Security Trustee and Receiver.....	14
17. Expenses	14
18. Assignment and Transfer	15
19. Further Provisions	15
20. Power of Attorney.....	17
21. New Accounts	17
22. Other Security etc.....	17
23. Notices	17
24. Land Registry	18
25. Governing Law and Jurisdiction.....	18

Schedule 120

This Debenture is executed and delivered (as at the date hereof) as a deed, is made on 21/07/ 2014

Between

- (1) **Screenreach Interactive Limited** (Company No.: 7007633) whose registered office is Studio 25-26 The Kiln, Hoults Yard, Walker Road, Newcastle upon Tyne NE6 2HL (the "**Borrower**"); and
- (2) **Northstar Ventures Limited** (Company No.: 05104995) whose registered office is at 5th Floor, Maybrook House, 27-35 Grainger Street, Newcastle upon Tyne NE1 5JE acting as security trustee ("**Security Trustee**").

Background

- (A) The Lenders have agreed to provide the Borrower with a loan pursuant to the terms of the Investment Agreement (as defined below).
- (B) The Borrower has agreed to provide security in the form of this Debenture for all monies, obligations and liabilities due by it to the Lenders including but not limited to all monies due pursuant to the terms of the Investment Agreement.

IT IS AGREED as follows:-

1. **Definitions and Interpretation**

1.1. Definitions

In this deed (referred to herein as this "Deed" or this "Debenture") unless the context otherwise requires, the following definitions shall apply:

"Business Day"	any day, other than Saturdays and Sundays and bank holidays during which clearing banks are open for business in the City of London;
"Charged Property"	all and every part of the property assets and undertaking of the Borrower charged by this Debenture;
"Debts"	all book and other debts of the Borrower (present and future), all other monies due and owing to the Borrower (present and future) and the benefit of all rights, securities or invoices in respect of such book or other debts;
"Default Rate"	4% per annum above the UK Reference Rate (as defined in the Investment Agreement);
"Encumbrance"	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, hypothecation, lien, assignment by way of security, or other security interest securing any obligation of any person or any other

	agreement or arrangement having a similar effect;
"Equipment"	all present and future equipment, plant machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions;
"Event of Default"	all of the events detailed in clause 4.8 of the Investment Agreement;
"Hotspur Investors"	those individuals defined as such in the Investment Agreement;
"Investment Agreement"	the Investment Agreement dated the same date as this Debenture and made between (1) the Company (2) the Managers (as defined therein) (3) the Investors (as defined therein) (4) the North East Accelerator Fund and (5) Northstar Ventures Limited t/a Northstar Ventures;
"Lenders"	the Security Trustee, The North East Accelerator Limited Partnership (" NEALP ") Tom Maxfield (" TM ") and the Hotspur Investors;
"LPA"	Law of Property Act 1925 (as amended);
"Proceeds Account"	such of the Borrower's bank account(s) as the Security Trustee may from time to time specify;
"Receiver"	any person or persons appointed as administrator, administrative receiver, receiver, manager or receiver and manager or other receiver by the Security Trustee under this Debenture or otherwise in respect of the Borrower and/or over all or any part of the Charged Property;
"Secured Liabilities"	all present and future monies, obligations or liabilities whatsoever now or hereafter due, owing or incurred to the Lenders (or any of them) by the Borrower under the terms of the Investment Agreement, the Security Trust Deed and all other sums due, owing or incurred by the Borrower under the terms of this Debenture together with the Additional Liabilities (as defined in the Security Trust Deed) relating thereto;
"Security Interest"	any mortgage charge pledge lien right of set off or any security interest whatsoever;

"Security Trustee"	Northstar Ventures Limited, acting in its capacity as trustee for the Lenders (including itself) in relation to the terms of this Debenture;
"Security Trust Deed"	the security trust deed to be entered into on the same date as this Debenture in relation to the Security Trustee's capacity as trustee for the rights of the Lenders.

1.2. Unless the context otherwise requires, any references in this Deed to:-

- 1.2.1. the Borrower, any Lenders, NEALP, TM, the Hotspur Investors and the Security Trustee shall be construed so as to include their successors in title, permitted assignees and permitted transferees;
- 1.2.2. a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.2.3. "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.4. "guarantee" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- 1.2.5. any document (including this Debenture) shall be construed as a reference to that document as from time to time amended, varied, novated, supplemented, extended or restated in accordance with its terms;
- 1.2.6. any statute or statutory instrument shall include any statutory modification or re-enactment thereof;
- 1.2.7. "person" includes any individual, firm, company, corporation, government state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.2.8. a time of day is a reference to the time in London;
- 1.2.9. clauses are to be construed as references to clauses to this Debenture and any references to sub-clauses are to be construed as references and sub-clauses of the clause or sub-clause in which the references appear;

- 1.2.10. words importing the singular shall include the plural and vice versa and persons shall include bodies corporate and vice versa;
 - 1.2.11. "in writing" or "written" includes faxes and any non-transitory form of visible reproduction or words and any letters attached to electronic mail but excludes electronic mail and text messaging via mobile phone; and
 - 1.2.12. headings are for convenience only and shall not affect the construction thereof.
- 1.3. The terms of the Investment Agreement are incorporated in this Debenture to the extent required for any purported disposition of any property contained herein to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
 - 1.4. Any certificate of the Security Trustee setting forth the amount of any of the Secured Liabilities due from the Borrower shall be conclusive evidence of such amount against the Borrower in the absence of manifest error.
 - 1.5. If the Security Trustee considers that an amount is capable of being avoided or otherwise set aside on liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture.
- 2. **Trust**
 - 2.1. The Security Trustee shall hold the benefit of the covenants contained in this Debenture and all its rights and claims under this Debenture as trustee for the Lenders from time to time on the terms set out in the Security Trust Deed.
 - 2.2. Any reference to security being granted or executed or obligations being entered into "in favour of the Security Trustee" or such other similar term shall mean such security being granted or executed or obligations being entered into in favour of the Security Trustee as trustee for the Lenders from time to time on the terms set out in the Security Trust Deed.
- 3. **Covenant to Pay**
 - 3.1. The Borrower hereby covenants with and undertakes to the Security Trustee to pay or discharge immediately on demand all the Secured Liabilities as and when they fall due.
 - 3.2. If the Borrower shall fail to pay any amount under this Debenture when it is due then such amount shall bear interest (after as well as before judgment and payable on demand) at the Default Rate from time to time from the due date until the date such amount is paid in full to the Security Trustee.
- 4. **Fixed and Floating Charges**
 - 4.1. The Borrower with full title guarantee hereby charges to the Security Trustee as a continuing security for the payment and/or discharge of the Secured Liabilities:-

- 4.1.1. by way of first legal mortgage all freehold and leasehold property of the Borrower now vested in it (whether or not registered at the Land Registry) together with all present and future buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- 4.1.2. by way of first fixed charge:
 - 4.1.2.1. all future freehold and leasehold property of the Borrower together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
 - 4.1.2.2. all present and future interests of the Borrower in or over land or the proceeds of sale of it and all present and future licences of the Borrower to enter upon or use land;
 - 4.1.2.3. all rent receivable from any lease granted out of any freehold or leasehold property present and future vested in or charged to the Borrower or in which it otherwise has an interest;
 - 4.1.2.4. the benefit of all other agreements relating to land which the Borrower is or may become party or otherwise entitled;
 - 4.1.2.5. all plant, machinery, vehicles and computer equipment of the Borrower (present and future) including but not limited to the Equipment together with all rights, title and interest of the Borrower under any agreements relating to the purchase, lease, hire purchase or maintenance of the same;
 - 4.1.2.6. all furniture, furnishings, equipment, tools and other chattels of the Borrower (present and future) together with all right, title and interest of the Borrower under any agreements relating to the purchase, lease or hire purchase of the same;
 - 4.1.2.7. all present and future uncalled capital and goodwill of the Borrower;
 - 4.1.2.8. all patents, utility models, trade marks and service marks (whether registered or not), brand and trade names, registered and unregistered design rights, rights in passing off, database rights, copyrights, computer programs, inventions, confidential information, know-how, trade secrets and all other intellectual or intangible property or rights in each case now or in the future held by the Borrower (whether alone or jointly with others) anywhere in the world and including any extensions and renewals of, and any and all applications for the protection thereof and all licences agreements and

ancillary and connected rights and benefits including all royalties fees and other income from the same both present and future of the Borrower;

- 4.1.2.9. the benefit of all agreements and licences now or in the future entered into or enjoyed by the Borrower in any part of the world of any such rights as are referred to in clause 4.1.2.8 but owned by others;
- 4.1.2.10. all rights and interests in and claims under all present and future contracts or policies of insurance now or in the future held by or insuring to the benefit of the Borrower which relate to any asset for the time being comprised within a mortgage, fixed charge or assignment by way of security created by clause 4.1.1 or this clause 4.1.2 (including all money payable under such contracts and policies);
- 4.1.2.11. all rights and interests and claims under all other present and future contracts of insurance or assurance in which the Borrower now or hereafter has an interest and all monies from time to time payable thereunder including any refund of premiums;
- 4.1.2.12. all present and future stocks, shares and other securities owned (at law or in equity) by the Borrower and all rights, money or property of a capital nature at any time accruing or offered in relation to them, whether by way of bonus, consolidation, conversion, exchange, option, preference, return of capital or otherwise;
- 4.1.2.13. all rights, money or property of an income nature at any time accruing or payable in relation to the stocks, shares and other securities charged by clause 4.1.2.12, whether by way of dividend, distribution, interest or otherwise;
- 4.1.2.14. the benefit of all warranties, instruments, guarantees, charges, pledges and other security and all other rights and remedies available to the Borrower in respect of any of the assets secured by fixed charge under this Debenture;
- 4.1.2.15. all present and future bank accounts, cash at bank and credit balances of the Borrower with any bank or other person whatsoever and all rights relating or attaching to them (including the rights to interest) including but not limited to the Proceeds Account;
- 4.1.2.16. all rights or property accruing or payable to the Borrower now or in the future under or by virtue of an asset secured by a fixed charge under this Debenture except to the extent that such rights, money or property are for the time being effectively charged by fixed

charge under the foregoing provisions of this clause 4.1;
and

4.1.2.17. all Debts whether now or hereafter existing and whether presently payable or hereafter falling due for payment and the full benefit of all rights and remedies relating thereto;

4.1.3. by way of floating charge the whole of the undertaking of the Borrower and all its other property and assets whatsoever and wheresoever both present and future other than the property and assets effectively charged to the Security Trustee by way of legal mortgage or fixed charge by this Debenture.

4.2. The Borrower with full title guarantee hereby assigns as a continuing security for the payment or discharge of the Secured Liabilities in favour of the Security Trustee (subject to the right of the Borrower to require the re-assignment of it upon payment or discharge in full of the Secured Liabilities) (insofar as they are capable of being assigned by way of security) all the rights, title and interest of the Borrower in and to any agreement to which the Borrower is a party except to the extent that it is subject to any fixed charge created under any other provisions of this Debenture.

4.3. Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 of the Enterprise Act 2002) shall apply to any floating charge created pursuant to this Debenture.

5. **Continuance of Security**

The security from time to time constituted by or pursuant to this Debenture shall be in addition to and shall not prejudice determine or affect any other security which the Security Trustee may from time to time hold in respect of all or any part of the Secured Liabilities. The security constituted by this Debenture shall be continuing and will extend to the ultimate balance of all Secured Liabilities regardless of any intermediate payments of part.

6. **Crystallisation**

6.1. The floating charge created by this Debenture shall automatically crystallise and be converted into a specific fixed charge over the assets and undertaking of the Borrower upon the occurrence of an Event of Default and/or if any subsequent floating charge is crystallised into a fixed charge.

6.2. In addition and without prejudice to any other right the Security Trustee may at any time by notice in writing to the Borrower declare that the floating charge created by this Debenture shall be converted into a fixed charge over all or such part of the assets and undertaking as may be specified in the notice.

7. **General Covenants**

7.1. The Borrower covenants with the Security Trustee that it shall not without the prior written consent of the Security Trustee:-

- 7.1.1. create or attempt to create or permit to subsist or enter into any Encumbrance over all or any of its property or assets nor increase nor extend any liability of the Borrower secured on any of the Charged Property;
 - 7.1.2. sell lease licence or otherwise dispose of any property or the whole or a substantial part of the undertaking of the Borrower or cause or permit any right over the Charged Property to be acquired by any third party but so that the Borrower may dispose of the Charged Property subject to the floating charge contained in this Debenture while the floating charge remains uncrystallised by sale at arms length in the usual course of the Borrower's day to day business;
 - 7.1.3. exercise the statutory powers of leasing or accepting surrenders of leases nor grant any right to occupy or share occupation of any property nor agree to do any of such things;
 - 7.1.4. make any material alterations or additions to or change the authorised use of any Charged Property;
 - 7.1.5. allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of its properties (or any part of them) or create or permit to arise any overriding interest ((as specified in Schedule 1 or Schedule 3) to the Land Registration Act 2002) affecting any such property.
- 7.2. The Borrower covenants with the Security Trustee that it will:-
- 7.2.1. at all times comply with the terms of this Debenture and the Investment Agreement;
 - 7.2.2. preserve and maintain all intellectual property rights owned or used by the Borrower;
 - 7.2.3. as soon as reasonably practicable and in any event within 5 Business Days of acquisition notify the Security Trustee of the acquisition by the Borrower of any estate or interest in any freehold, heritable or leasehold property;
 - 7.2.4. as soon as reasonably practicable notify the Security Trustee in writing of the occurrence of an Event of Default or of the occurrence of any event which with the lapse of time or giving of notice would or may constitute any of the same;
 - 7.2.5. deposit with the Security Trustee all deeds certificates and documents constituting or evidencing title to the Charged Property or any party thereof;
 - 7.2.6. in respect of any freehold or leasehold property which is hereafter acquired by the Borrower the title to which is registered at the Land Registry or the title to which is required to be so registered give such Registry notice of this Debenture and procure that notice of these presents is duly noted in the Register to each such title in accordance with the terms of clause 24;

- 7.2.7. generally not do anything which could materially lessen the value of the Borrower's interest in the Charged Property.

8. **Representations and Warranties**

- 8.1. The Borrower represents and warrants to the Security Trustee that:
 - 8.1.1. it is the legal and beneficial owner of the Charged Property;
 - 8.1.2. the Charged Property is free from any Encumbrance;
 - 8.1.3. save in relation to potential breaches of intellectual property rights (such matters having been disclosed to the Lenders) it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it;
 - 8.1.4. there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Property;
 - 8.1.5. there is no breach of any law or regulation which in the opinion of the Security Trustee materially adversely affects the Charged Property;
 - 8.1.6. no facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use;
 - 8.1.7. no Encumbrance expressed to be created under this Debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise;
- 8.2. The representations and warranties contained in clause 8.1 shall be deemed to be made on each day during the period starting on the date of this Debenture and ending on the date on which all Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

9. **Debts**

- 9.1. The Borrower will, not without the prior written consent of the Security Trustee;
 - 9.1.1. deal with its Debts otherwise than by collecting them in the ordinary course of business; or
 - 9.1.2. charge, factor, discount or assign any of its Debts in favour of any third party.
- 9.2. Immediately following a request by the Security Trustee and at all times following such request the Borrower will pay the proceeds of payment or realisation of all the Borrower's Debts into the Proceeds Account, and pending that payment will hold all money so received upon trust for the Security Trustee. If the request anticipated by this clause 9.2 is made by the

Security Trustee, then the Borrower will not, without the prior written consent of the Security Trustee, withdraw any monies standing to the credit of the Proceeds Account.

9.3. If called upon to do so by the Security Trustee, the Borrower:

9.3.1. will promptly give notice to the bank or financial institution with which the Proceeds Account has been opened/is held substantially in the form set out in Schedule 1 or such other form required by the Security Trustee and use reasonable endeavours to ensure that the bank or financial institution acknowledges that notice, and

9.3.2. shall provide notice to the financial institution with which the Proceeds Account is held to confirm that the Security Trustee has withdrawn any consents provided to withdrawals of monies from the Proceeds Account or for any other purpose as requested by the Security Trustee.

9.4. If called upon to do so by the Security Trustee, the Borrower shall execute a legal assignment of the Debts to the Security Trustee in such terms as the Security Trustee may require and give notice of that assignment to the Debtors from whom the Debts are due, owing or incurred.

10. **Equipment**

10.1. The Borrower shall:

10.1.1. maintain the Equipment in good and serviceable condition (except for expected fair wear and tear); and

10.1.2. not to permit any Equipment to be,;

10.1.2.1. used or handled, other than by properly qualified and trained persons; or

10.1.2.2. overloaded or used for any purpose for which it is not designed or reasonably suitable.

10.2. The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of payment to the Security Trustee.

10.3. The Borrower shall:

10.3.1. give the Security Trustee such information concerning the location, condition, use and operation of Equipment as the Security Trustee may require; and

10.3.2. permit any persons designated by the Security Trustee to inspect and examine Equipment and the records relating to Equipment at all reasonable times and on reasonable prior written notice.

10.4. The Borrower shall:

- 10.4.1. at its own expense, procure that the Equipment is covered and kept covered by insurance of a kind satisfactory to the Security Trustee with insurers approved by the Security Trustee (such approval not to be unreasonably withheld) for full comprehensive insurance cover, which shall include (but not be limited to) fire, theft and accident, for an amount which is not less than the aggregate cost of reinstating or replacing such Equipment;
 - 10.4.2. if the Security Trustee so requires, procure that the interest of the Security Trustee is noted on all such insurance policies or, at the option of the Security Trustee, that such insurance policies are issued in the joint names of the Security Trustee and the Borrower; and
 - 10.4.3. maintain insurance for third party liabilities in such amount, and on such terms, as is usual for users of equipment of the same type as the Equipment.
- 10.5. The Borrower shall, if so requested by the Security Trustee, place and maintain on each item of Equipment, in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIPTION OF ITEM] and ancillary equipment is subject to a fixed charge dated [DATE] in favour of Northstar Ventures Limited acting as Security Trustee".

11. Power to Remedy

At reasonable times and upon reasonable notice or at any time in case of default by the Borrower in repairing or keeping in repair or insuring the Charged Property or any part thereof or in observing or performing any of the covenants or stipulations affecting the same, the Borrower will permit the Security Trustee or its agents and contractors to enter onto any of the Charged Property and to comply with or object to any notice served on the Borrower in respect of the Charged Property and to effect such repairs or insurance or generally do such things or pay all such costs charges and expenses that the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice. The Borrower will indemnify and keep the Security Trustee indemnified against all losses costs charges and expenses reasonably incurred in connection with the exercise of the powers contained in this clause 11.

12. Enforcement

- 12.1. The security constituted by this Debenture shall become enforceable and the power of sale and other powers conferred on mortgagees by the LPA (as varied or amended by this Debenture) shall arise on and be exercisable at any time after the execution of this Debenture and such power together with all the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986 and all or any of the rights and powers conferred by this Debenture shall be immediately

exercisable without further notice to the Borrower

- 12.2. After the security constituted hereby has become enforceable the Security Trustee may in its absolute discretion enforce all or any part of such security in such manner as it sees fit.
- 12.3. For the purposes of all powers implied by statute the Secured Liabilities shall be deemed to have become due and payable on the date hereof and Section 103 of the LPA (restricting the power of sale) and Section 93 of the LPA (restricting the right of consolidation) shall not apply to the security created by this Debenture.
- 12.4. The statutory powers of leasing conferred on the Security Trustee shall be extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee shall think fit and without the need to comply with any of the provisions of Section 99 to 100 of the LPA.

13. **Receiver**

- 13.1. At any time after the security constituted by this Debenture has become enforceable or if so requested by the Borrower the Security Trustee may by instrument in writing appoint (and thereafter remove or substitute) any person or persons to be Receiver of the Charged Property or any part thereof and/or an administrator of the Borrower. If more than one person is appointed they may act and exercise all their powers together or separately. The appointment of a Receiver over part of the Charged Property shall not prevent the appointment being extended or another Receiver being appointed over any other part of the Charged Property.
- 13.2. Any Receiver shall be the agent of the Borrower which shall be solely responsible for his acts and defaults and liable on any contracts entered into or adopted by him and for the payment of his remuneration. The remuneration of any Receiver may be fixed by the Security Trustee but shall be payable by the Borrower alone and may be debited by the Security Trustee to any account of the Borrower but shall in any event form part of the Secured Liabilities.
- 13.3. Every Receiver appointed under this Debenture shall have and be entitled to exercise all of the powers set out below in addition to those conferred by the LPA (without the restrictions contained in s103 of that act) and Schedule I to the Insolvency Act 1986 on mortgagees in possession (but without liability of such) receivers administrative receivers and administrators appointed under those Acts. In addition but without prejudice to the generality of the foregoing the Receiver shall have the power (in the name of the Borrower or otherwise and in such manner and on such terms and conditions as he shall think fit) to:-
 - 13.3.1. take possession of collect and get in all or any part of the property in respect of which he is appointed and for that purpose to take any proceedings;
 - 13.3.2. carry on or concur in carrying on the business of the Borrower and raise money from the Lenders or others on the security of any

property charged by this Debenture;

- 13.3.3. purchase or acquire any land and purchase acquire and grant any interest in or right over land;
 - 13.3.4. sell or concur in selling let or concur in letting and terminate or accept surrenders of leases or tenancies of any property charged by this Debenture and to carry any such transactions into effect;
 - 13.3.5. sell assign let or otherwise dispose of or concur in selling assigning letting or otherwise disposing of all or any of the property in respect of which he is appointed;
 - 13.3.6. make any arrangement or compromise between the Borrower and any other person which he may think expedient;
 - 13.3.7. make and effect all repairs improvement and insurances;
 - 13.3.8. purchase materials tools equipment goods or supplies;
 - 13.3.9. call up any uncalled capital of the Borrower with all the powers conferred by the articles of association of the Borrower in relation to calls;
 - 13.3.10. employ engage and appoint managers and other employees and professional advisors; and
 - 13.3.11. do all such other acts and things as may be considered to be incidental or conducive to any other matters or powers aforesaid or to the realisation of the security constituted by this Debenture for which he lawfully may or can do.
- 13.4. All or any powers conferred on a Receiver by this clause 13 may be exercised by the Lender without first appointing a Receiver or notwithstanding any such appointment.

14. **Application of Proceeds**

- 14.1. All monies received by the Security Trustee or by any Receiver appointed by it pursuant to this Debenture and/or under the powers hereby conferred shall, subject to any prior claims, be applied for the following purposes and unless otherwise determined by the Security Trustee or such receiver in the following order of priority (but without prejudice to the right of the Security Trustee to recover any shortfall from the Borrower):-
- 14.1.1. in or towards satisfaction of or provision for all monies raised or borrowed and all costs charges expenses and liabilities paid or incurred by the Receiver or the Security Trustee including the remuneration of the Receiver;
 - 14.1.2. in or towards payment of the Secured Liabilities; and
 - 14.1.3. the claims of those entitled to any surplus.

provided that the Receiver may retain any money in his hands for so long as he thinks fit, and the Security Trustee may, without prejudice to any other rights the Security Trustee may have at any time and from time to time, place and keep for such time as the Security Trustee think prudent any money received, recovered or realised under or by virtue of this Debenture to or at a separate suspense account to the credit either of the Borrower or of the Security Trustee as the Security Trustee may think fit without any immediate obligation on the part of the Security Trustee to apply such money or any part of such money in or towards the payment or discharge of the Secured Liabilities.

15. **Protection of Third Parties**

- 15.1. No purchaser mortgagee or other person or company dealing with the Security Trustee or the Receiver or his agents shall be concerned to enquire whether any power has arisen become exercisable or is being validly exercised.
- 15.2. The receipt of the Security Trustee or the Receiver shall be an absolute discharge and the payer shall not be obliged to see to the application of monies paid to them.

16. **Protection of Security Trustee and Receiver**

- 16.1. Neither the Security Trustee, any of the Lenders nor the Receiver shall be liable to the Borrower in respect of any loss or damage arising out of the exercise or the attempted purported or failure to exercise any of their respective powers.
- 16.2. Entry into possession of any of the Charged Property shall not render the Security Trustee, any of the Lenders or the Receiver liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable nor shall it prevent the Security Trustee at any time going out of such possession.
- 16.3. The Borrower further covenants with the Security Trustee (even if no Event of Default shall have occurred) that it shall upon demand execute at the Borrower's own cost any document or do any act or thing which may:-
- 16.3.1. perfect or improve any Security Interest intended to be created by this Debenture (including a legal mortgage over property acquired after the date of this deed); or
- 16.3.2. facilitate the exercise of any of the powers of the Security Trustee or the Receiver.

17. **Expenses**

- 17.1. The Borrower further covenants with the Security Trustee to:-
- 17.1.1. reimburse or pay and indemnify the Security Trustee and the Receiver against all costs charges expenses payments losses and liabilities reasonably and properly incurred by the Security Trustee

or the Receiver in connection with the exercise or purported exercise of any of their powers under or the enforcement or preservation of this Debenture or because of any breach of the Borrower of any of its obligations to the Security Trustee.

- 17.1.2. pay all value added or similar tax payable on all monies payable under this Debenture; and
- 17.1.3. pay interest at a rate equal to the Default Rate (as that rate fluctuates) as well after as before judgement from the date of the costs, charges, expenses or payments referred at clause 17.1.1 being incurred or becoming payable until the date the same are unconditionally and irrevocably paid and discharged in full. All such costs charges expenses and payments shall be paid on the basis of a full indemnity.

18. Assignment and Transfer

- 18.1. The Security Trustee may at any time, without the consent of the Borrower, assign or transfer the whole or any part of the Security Trustee's rights under this Debenture to any person. The Borrower shall, immediately upon being requested to do so by the Security Trustee and at the cost of the Security Trustee, enter in to such documents as may be necessary or desirable to give effect to such transfers.
- 18.2. The Borrower may not assign or transfer any of its rights (if any) or its obligations under this Debenture (in whole or in part) or enter into any transaction, which would result in any of these rights or obligations passing to another person.

19. Further Provisions

19.1. Discharge Conditional

Any release, discharge or settlement between the Borrower and the Security Trustee shall be deemed conditional upon no payment or security received in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding up, administration or receivership and, notwithstanding any such release, discharge or settlement:

- 19.1.1. the Security Trustee or its nominee shall be at liberty to retain this Debenture and the security created by or pursuant to this Debenture, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Security Trustee shall deem necessary to provide the Security Trustee with security against and any such avoidance or reduction or order for refund; and
- 19.1.2. the Security Trustee shall be entitled to recover the value or amount of such security or payment from the Borrower subsequently as if such settlement, discharge or release had not occurred and the Borrower agrees with the Security Trustee accordingly and charges the Charged Property and the proceeds of any sale of it with any

liability under this paragraph.

19.2. Rights Cumulative

The rights and powers of the Security Trustee conferred by this Debenture are cumulative, may be exercised as often as the Security Trustee considers appropriate, and are in addition to its rights and powers under the general law.

19.3. Waivers

Any waiver or variation of any right by the Security Trustee (whether arising under this Debenture or under the general law) is only effective if it is in writing and signed by the Security Trustee and applies only in the circumstances for which it was given and shall not prevent the Security Trustee from subsequently relying on the relevant provision.

19.4. Further Exercise of Rights

No act or course of conduct or negotiation by or on behalf of the Security Trustee shall in any way preclude the Security Trustee from exercising any right or power under this Debenture or constitute a suspension or variation of any such right or power.

19.5. Delay

No delay or failure to exercise any right or power under this Debenture shall operate as a waiver.

19.6. Single or Partial Exercise

No single or partial exercise of any right under this Debenture shall prevent any other or further exercise of that or any such right.

19.7. Counterparts

This Debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

19.8. Third Party Rights

A third party (being any person other than the Borrower and the Security Trustee and its permitted successors and assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Debenture and no consent of any third party is required for any amendment, variation or termination of this Debenture.

19.9. Severability

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this Debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some

part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

20. Power of Attorney

- 20.1. By way of security for its obligations under this Deed, the Borrower hereby irrevocably appoints the Security Trustee and Receiver, jointly and severally, to be its attorney (with full power of substitution) on behalf of the Borrower and in its name or otherwise to execute any document or do any act or thing which the Security Trustee or the Receiver may in their absolute discretion consider appropriate in the exercise of any of their powers or which the Borrower is obliged to the Security Trustee to execute or do whether under this Debenture or otherwise.
- 20.2. The Borrower hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in clause 20.1 shall do or purport to do in the exercise or purported exercise of all or any of the powers authorises and discretions referred to in such clause.

21. New Accounts

If the Security Trustee receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Charged Property and/or the proceeds of sale thereof the Security Trustee or the Lenders may open a new account or accounts. If the Security Trustee or the Lenders do not open a new account they shall nevertheless be treated as if they had done so at the time when they received or were deemed to have received notice as from that time all payments made to the Security Trustee shall be credited or be treated as having been credited to the new account(s) and shall not operate to reduce the amount for which this Debenture is security.

22. Other Security etc

- 22.1. The charges in this Debenture are in addition to any other Security Interest which the Security Trustee may have in respect of the Secured Liabilities. Such charges and other Security Interest can be enforced in whatever order the Security Trustee decides.
- 22.2. If there are any Security Interests higher in priority to the charge in this Debenture and any powers and remedies conferred to them are being exercised or enforced against the Charged Property the Security Trustee or any Receiver may redeem or take a transfer of such prior Security Interest, may settle and pass the accounts to the prior chargees which shall be inclusive and binding on the Borrower and all monies paid or costs incurred in such redemption or transfer shall be paid to the Security Trustee on demand and until payment added to the Secured Liabilities.

23. Notices

- 23.1. Any notice and any permission, consent, approval or other authorisation to be served upon or given or communicated to one party by the other (in this clause called a "communication") under or in connection with this Debenture shall be in writing and shall be made by fax or letter.

23.2. Each communication to the Borrower shall be made at the following address: Studio 25-26 The Kiln, Hoults Yard, Walker Road, Newcastle upon Tyne NE6 2HL (or any substitute address which the Borrower may notify the Security Agent by not less than five Business Days' notice) will become effective and shall be deemed to have been received by the Borrower as follows (references to times are to times in the place of delivery of the communication):

23.2.1. a hand-delivered letter will be effective as soon as it is delivered; and

23.2.2. a letter sent by first class post or recorded delivery from and to an address in the UK will be effective at 9 am on the second Business Day after it is posted and a letter sent by airmail from or to an address elsewhere will be effective at 9 am on the tenth Business Day after it is posted

for the purposes of this clause 23 if a notice is given or deemed given at a time or on a date which is not a Business Day it shall be deemed to have been given on the next Business Day.

23.3. Each communication to the Security Trustee shall be made at the following address 5th Floor, Maybrook House, 27-35 Grainger Street, Newcastle upon Tyne NE1 5JE marked for the attention of Michelle Cooper (or any substitute address or fax number or department or person which the Security Agent may notify the Borrower by not less than five Business Days notice). Each communication to the Security Trustee will become effective only when actually received by the Security Trustee.

24. **Land Registry**

24.1. In respect of the property the title to which is registered at the Land Registry and in respect of any other registered titles against which this Debenture may be noted the Borrower hereby applied to the Chief Land Registrar for a restriction in following terms to be entered on the Register of Title relating thereto:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of Northstar Ventures Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an Authorised Officer".

25. **Governing Law and Jurisdiction**

25.1. This Debenture and any claim, dispute or matter arising under or in connection with this Debenture (including any non-contractual obligations arising out of or in connection with it) shall be governed by and construed according to the laws of England and Wales.

25.2. The parties to this Debenture irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over

any claim or matter arising out of or in connection with this Debenture. Nothing in this Clause shall limit the right of the Security Trustee to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

Executed as a Deed but not delivered until the date appearing at the beginning of this Deed

Schedule 1

To: *[Insert Name]* Bank plc
(the "Bank")

Dear Sirs,

Notice of Charge over Account

We hereby give you notice that any amount standing to the credit of the following account maintained with you:

Account Number: [Account No]

Sort Code: [Sort Code]

(the "Account") was charged by way of first fixed charge in favour of *[Insert Name]* Limited ("*insert Name*") pursuant to the terms of a debenture entered into by Screenreach Interactive Limited (the "Borrower") in favour of *[Insert Name]* dated *[Insert Date]* (the "Debenture").

Pursuant to the terms of the Debenture, the Borrower is not permitted to make withdrawals of monies from the Account without the prior written consent of *[Insert Name]*. *[Insert Name]* hereby provides its consent to the fact that:

- (a) the Bank may continue to collect instruments/credits payable to or endorsed in favour of the Borrower to its account with the Bank; and
- (b) that the Bank may permit the Borrower to draw against its existing credit balance and the proceeds of instruments/credits collected from time to time to its account with the Bank.

[Insert Name] may withdraw this consent at any time and agrees to notify the Bank if such consent is withdrawn.

The instructions in this letter may not be revoked or amended without the prior consent of *[Insert Name]*.

Please acknowledge by signing and returning one copy of this notice.

Yours faithfully

.....
for and on behalf of *[Insert Name]* Limited

Executed and Delivered as a Deed)
by **Screenreach Interactive Limited**)
acting by a director)

P. BulirpDirector

In the presence of:

[Signature]

Witness:

W. Macdonald

Witness signature:

[Signature]

Witness address:

1st James Ave
Newark
NE99 1YQ

Executed and Delivered as a Deed)
by **Northstar Ventures Limited**)
acting by a director)

.....Director

In the presence of:

Witness:

Witness signature:

Witness address:

.....

.....

Dated 21/07/ **2014**

Screenreach Interactive Limited

and

Northstar Ventures Limited as Security Trustee

Debenture

Contents

Clause	Page
1. Definitions and Interpretation.....	1
2. Trust.....	4
3. Covenant to Pay.....	4
4. Fixed and Floating Charges.....	4
5. Continuance of Security	7
6. Crystallisation	7
7. General Covenants.....	7
8. Representations and Warranties	9
9. Debts.....	9
10. Equipment.....	10
11. Power to Remedy.....	11
12. Enforcement.....	11
13. Receiver	12
14. Application of Proceeds.....	13
15. Protection of Third Parties	14
16. Protection of Security Trustee and Receiver.....	14
17. Expenses	14
18. Assignment and Transfer	15
19. Further Provisions	15
20. Power of Attorney.....	17
21. New Accounts	17
22. Other Security etc.....	17
23. Notices	17
24. Land Registry	18
25. Governing Law and Jurisdiction.....	18

Schedule 120

This Debenture is executed and delivered (as at the date hereof) as a deed, is made on 21/07 / 2014

Between

- (1) **Screenreach Interactive Limited** (Company No.: 7007633) whose registered office is Studio 25-26 The Kiln, Hoults Yard, Walker Road, Newcastle upon Tyne NE6 2HL (the "**Borrower**"); and
- (2) **Northstar Ventures Limited** (Company No.: 05104995) whose registered office is at 5th Floor, Maybrook House, 27-35 Grainger Street, Newcastle upon Tyne NE1 5JE acting as security trustee ("**Security Trustee**").

Background

- (A) The Lenders have agreed to provide the Borrower with a loan pursuant to the terms of the Investment Agreement (as defined below).
- (B) The Borrower has agreed to provide security in the form of this Debenture for all monies, obligations and liabilities due by it to the Lenders including but not limited to all monies due pursuant to the terms of the Investment Agreement.

IT IS AGREED as follows:-

1. **Definitions and Interpretation**

1.1. Definitions

In this deed (referred to herein as this "Deed" or this "Debenture") unless the context otherwise requires, the following definitions shall apply:

"Business Day"	any day, other than Saturdays and Sundays and bank holidays during which clearing banks are open for business in the City of London;
"Charged Property"	all and every part of the property assets and undertaking of the Borrower charged by this Debenture;
"Debts"	all book and other debts of the Borrower (present and future), all other monies due and owing to the Borrower (present and future) and the benefit of all rights, securities or invoices in respect of such book or other debts;
"Default Rate"	4% per annum above the UK Reference Rate (as defined in the Investment Agreement);
"Encumbrance"	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, hypothecation, lien, assignment by way of security, or other security interest securing any obligation of any person or any other

	agreement or arrangement having a similar effect;
"Equipment"	all present and future equipment, plant machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions;
"Event of Default"	all of the events detailed in clause 4.8 of the Investment Agreement;
"Hotspur Investors"	those individuals defined as such in the Investment Agreement;
"Investment Agreement"	the Investment Agreement dated the same date as this Debenture and made between (1) the Company (2) the Managers (as defined therein) (3) the Investors (as defined therein) (4) the North East Accelerator Fund and (5) Northstar Ventures Limited t/a Northstar Ventures;
"Lenders"	the Security Trustee, The North East Accelerator Limited Partnership (" NEALP ") Tom Maxfield (" TM ") and the Hotspur Investors;
"LPA"	Law of Property Act 1925 (as amended);
"Proceeds Account"	such of the Borrower's bank account(s) as the Security Trustee may from time to time specify;
"Receiver"	any person or persons appointed as administrator, administrative receiver, receiver, manager or receiver and manager or other receiver by the Security Trustee under this Debenture or otherwise in respect of the Borrower and/or over all or any part of the Charged Property;
"Secured Liabilities"	all present and future monies, obligations or liabilities whatsoever now or hereafter due, owing or incurred to the Lenders (or any of them) by the Borrower under the terms of the Investment Agreement, the Security Trust Deed and all other sums due, owing or incurred by the Borrower under the terms of this Debenture together with the Additional Liabilities (as defined in the Security Trust Deed) relating thereto;
"Security Interest"	any mortgage charge pledge lien right of set off or any security interest whatsoever;

"Security Trustee"	Northstar Ventures Limited, acting in its capacity as trustee for the Lenders (including itself) in relation to the terms of this Debenture;
"Security Trust Deed"	the security trust deed to be entered into on the same date as this Debenture in relation to the Security Trustee's capacity as trustee for the rights of the Lenders.

1.2. Unless the context otherwise requires, any references in this Deed to:-

- 1.2.1. the Borrower, any Lenders, NEALP, TM, the Hotspur Investors and the Security Trustee shall be construed so as to include their successors in title, permitted assignees and permitted transferees;
- 1.2.2. a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.2.3. "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.4. "guarantee" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- 1.2.5. any document (including this Debenture) shall be construed as a reference to that document as from time to time amended, varied, novated, supplemented, extended or restated in accordance with its terms;
- 1.2.6. any statute or statutory instrument shall include any statutory modification or re-enactment thereof;
- 1.2.7. "person" includes any individual, firm, company, corporation, government state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.2.8. a time of day is a reference to the time in London;
- 1.2.9. clauses are to be construed as references to clauses to this Debenture and any references to sub-clauses are to be construed as references and sub-clauses of the clause or sub-clause in which the references appear;

- 1.2.10. words importing the singular shall include the plural and vice versa and persons shall include bodies corporate and vice versa;
 - 1.2.11. "in writing" or "written" includes faxes and any non-transitory form of visible reproduction or words and any letters attached to electronic mail but excludes electronic mail and text messaging via mobile phone; and
 - 1.2.12. headings are for convenience only and shall not affect the construction thereof.
- 1.3. The terms of the Investment Agreement are incorporated in this Debenture to the extent required for any purported disposition of any property contained herein to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
 - 1.4. Any certificate of the Security Trustee setting forth the amount of any of the Secured Liabilities due from the Borrower shall be conclusive evidence of such amount against the Borrower in the absence of manifest error.
 - 1.5. If the Security Trustee considers that an amount is capable of being avoided or otherwise set aside on liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture.

2. Trust

- 2.1. The Security Trustee shall hold the benefit of the covenants contained in this Debenture and all its rights and claims under this Debenture as trustee for the Lenders from time to time on the terms set out in the Security Trust Deed.
- 2.2. Any reference to security being granted or executed or obligations being entered into "in favour of the Security Trustee" or such other similar term shall mean such security being granted or executed or obligations being entered into in favour of the Security Trustee as trustee for the Lenders from time to time on the terms set out in the Security Trust Deed.

3. Covenant to Pay

- 3.1. The Borrower hereby covenants with and undertakes to the Security Trustee to pay or discharge immediately on demand all the Secured Liabilities as and when they fall due.
- 3.2. If the Borrower shall fail to pay any amount under this Debenture when it is due then such amount shall bear interest (after as well as before judgment and payable on demand) at the Default Rate from time to time from the due date until the date such amount is paid in full to the Security Trustee.

4. Fixed and Floating Charges

- 4.1. The Borrower with full title guarantee hereby charges to the Security Trustee as a continuing security for the payment and/or discharge of the Secured Liabilities:-

- 4.1.1. by way of first legal mortgage all freehold and leasehold property of the Borrower now vested in it (whether or not registered at the Land Registry) together with all present and future buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- 4.1.2. by way of first fixed charge:
 - 4.1.2.1. all future freehold and leasehold property of the Borrower together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
 - 4.1.2.2. all present and future interests of the Borrower in or over land or the proceeds of sale of it and all present and future licences of the Borrower to enter upon or use land;
 - 4.1.2.3. all rent receivable from any lease granted out of any freehold or leasehold property present and future vested in or charged to the Borrower or in which it otherwise has an interest;
 - 4.1.2.4. the benefit of all other agreements relating to land which the Borrower is or may become party or otherwise entitled;
 - 4.1.2.5. all plant, machinery, vehicles and computer equipment of the Borrower (present and future) including but not limited to the Equipment together with all rights, title and interest of the Borrower under any agreements relating to the purchase, lease, hire purchase or maintenance of the same;
 - 4.1.2.6. all furniture, furnishings, equipment, tools and other chattels of the Borrower (present and future) together with all right, title and interest of the Borrower under any agreements relating to the purchase, lease or hire purchase of the same;
 - 4.1.2.7. all present and future uncalled capital and goodwill of the Borrower;
 - 4.1.2.8. all patents, utility models, trade marks and service marks (whether registered or not), brand and trade names, registered and unregistered design rights, rights in passing off, database rights, copyrights, computer programs, inventions, confidential information, know-how, trade secrets and all other intellectual or intangible property or rights in each case now or in the future held by the Borrower (whether alone or jointly with others) anywhere in the world and including any extensions and renewals of, and any and all applications for the protection thereof and all licences agreements and

ancillary and connected rights and benefits including all royalties fees and other income from the same both present and future of the Borrower;

- 4.1.2.9. the benefit of all agreements and licences now or in the future entered into or enjoyed by the Borrower in any part of the world of any such rights as are referred to in clause 4.1.2.8 but owned by others;
- 4.1.2.10. all rights and interests in and claims under all present and future contracts or policies of insurance now or in the future held by or insuring to the benefit of the Borrower which relate to any asset for the time being comprised within a mortgage, fixed charge or assignment by way of security created by clause 4.1.1 or this clause 4.1.2 (including all money payable under such contracts and policies);
- 4.1.2.11. all rights and interests and claims under all other present and future contracts of insurance or assurance in which the Borrower now or hereafter has an interest and all monies from time to time payable thereunder including any refund of premiums;
- 4.1.2.12. all present and future stocks, shares and other securities owned (at law or in equity) by the Borrower and all rights, money or property of a capital nature at any time accruing or offered in relation to them, whether by way of bonus, consolidation, conversion, exchange, option, preference, return of capital or otherwise;
- 4.1.2.13. all rights, money or property of an income nature at any time accruing or payable in relation to the stocks, shares and other securities charged by clause 4.1.2.12, whether by way of dividend, distribution, interest or otherwise;
- 4.1.2.14. the benefit of all warranties, instruments, guarantees, charges, pledges and other security and all other rights and remedies available to the Borrower in respect of any of the assets secured by fixed charge under this Debenture;
- 4.1.2.15. all present and future bank accounts, cash at bank and credit balances of the Borrower with any bank or other person whatsoever and all rights relating or attaching to them (including the rights to interest) including but not limited to the Proceeds Account;
- 4.1.2.16. all rights or property accruing or payable to the Borrower now or in the future under or by virtue of an asset secured by a fixed charge under this Debenture except to the extent that such rights, money or property are for the time being effectively charged by fixed

charge under the foregoing provisions of this clause 4.1;
and

4.1.2.17. all Debts whether now or hereafter existing and whether presently payable or hereafter falling due for payment and the full benefit of all rights and remedies relating thereto;

4.1.3. by way of floating charge the whole of the undertaking of the Borrower and all its other property and assets whatsoever and wheresoever both present and future other than the property and assets effectively charged to the Security Trustee by way of legal mortgage or fixed charge by this Debenture.

4.2. The Borrower with full title guarantee hereby assigns as a continuing security for the payment or discharge of the Secured Liabilities in favour of the Security Trustee (subject to the right of the Borrower to require the re-assignment of it upon payment or discharge in full of the Secured Liabilities) (insofar as they are capable of being assigned by way of security) all the rights, title and interest of the Borrower in and to any agreement to which the Borrower is a party except to the extent that it is subject to any fixed charge created under any other provisions of this Debenture.

4.3. Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 of the Enterprise Act 2002) shall apply to any floating charge created pursuant to this Debenture.

5. **Continuance of Security**

The security from time to time constituted by or pursuant to this Debenture shall be in addition to and shall not prejudice determine or affect any other security which the Security Trustee may from time to time hold in respect of all or any part of the Secured Liabilities. The security constituted by this Debenture shall be continuing and will extend to the ultimate balance of all Secured Liabilities regardless of any intermediate payments of part.

6. **Crystallisation**

6.1. The floating charge created by this Debenture shall automatically crystallise and be converted into a specific fixed charge over the assets and undertaking of the Borrower upon the occurrence of an Event of Default and/or if any subsequent floating charge is crystallised into a fixed charge.

6.2. In addition and without prejudice to any other right the Security Trustee may at any time by notice in writing to the Borrower declare that the floating charge created by this Debenture shall be converted into a fixed charge over all or such part of the assets and undertaking as may be specified in the notice.

7. **General Covenants**

7.1. The Borrower covenants with the Security Trustee that it shall not without the prior written consent of the Security Trustee:-

- 7.1.1. create or attempt to create or permit to subsist or enter into any Encumbrance over all or any of its property or assets nor increase nor extend any liability of the Borrower secured on any of the Charged Property;
 - 7.1.2. sell lease licence or otherwise dispose of any property or the whole or a substantial part of the undertaking of the Borrower or cause or permit any right over the Charged Property to be acquired by any third party but so that the Borrower may dispose of the Charged Property subject to the floating charge contained in this Debenture while the floating charge remains uncrystallised by sale at arms length in the usual course of the Borrower's day to day business;
 - 7.1.3. exercise the statutory powers of leasing or accepting surrenders of leases nor grant any right to occupy or share occupation of any property nor agree to do any of such things;
 - 7.1.4. make any material alterations or additions to or change the authorised use of any Charged Property;
 - 7.1.5. allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of its properties (or any part of them) or create or permit to arise any overriding interest ((as specified in Schedule 1 or Schedule 3) to the Land Registration Act 2002) affecting any such property.
- 7.2. The Borrower covenants with the Security Trustee that it will:-
- 7.2.1. at all times comply with the terms of this Debenture and the Investment Agreement;
 - 7.2.2. preserve and maintain all intellectual property rights owned or used by the Borrower;
 - 7.2.3. as soon as reasonably practicable and in any event within 5 Business Days of acquisition notify the Security Trustee of the acquisition by the Borrower of any estate or interest in any freehold, heritable or leasehold property;
 - 7.2.4. as soon as reasonably practicable notify the Security Trustee in writing of the occurrence of an Event of Default or of the occurrence of any event which with the lapse of time or giving of notice would or may constitute any of the same;
 - 7.2.5. deposit with the Security Trustee all deeds certificates and documents constituting or evidencing title to the Charged Property or any party thereof;
 - 7.2.6. in respect of any freehold or leasehold property which is hereafter acquired by the Borrower the title to which is registered at the Land Registry or the title to which is required to be so registered give such Registry notice of this Debenture and procure that notice of these presents is duly noted in the Register to each such title in accordance with the terms of clause 24;

- 7.2.7. generally not do anything which could materially lessen the value of the Borrower's interest in the Charged Property.

8. **Representations and Warranties**

- 8.1. The Borrower represents and warrants to the Security Trustee that:
 - 8.1.1. it is the legal and beneficial owner of the Charged Property;
 - 8.1.2. the Charged Property is free from any Encumbrance;
 - 8.1.3. save in relation to potential breaches of intellectual property rights (such matters having been disclosed to the Lenders) it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it;
 - 8.1.4. there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Property;
 - 8.1.5. there is no breach of any law or regulation which in the opinion of the Security Trustee materially adversely affects the Charged Property;
 - 8.1.6. no facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use;
 - 8.1.7. no Encumbrance expressed to be created under this Debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise;
- 8.2. The representations and warranties contained in clause 8.1 shall be deemed to be made on each day during the period starting on the date of this Debenture and ending on the date on which all Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

9. **Debts**

- 9.1. The Borrower will, not without the prior written consent of the Security Trustee;
 - 9.1.1. deal with its Debts otherwise than by collecting them in the ordinary course of business; or
 - 9.1.2. charge, factor, discount or assign any of its Debts in favour of any third party.
- 9.2. Immediately following a request by the Security Trustee and at all times following such request the Borrower will pay the proceeds of payment or realisation of all the Borrower's Debts into the Proceeds Account, and pending that payment will hold all money so received upon trust for the Security Trustee. If the request anticipated by this clause 9.2 is made by the

Security Trustee, then the Borrower will not, without the prior written consent of the Security Trustee, withdraw any monies standing to the credit of the Proceeds Account.

9.3. If called upon to do so by the Security Trustee, the Borrower:

9.3.1. will promptly give notice to the bank or financial institution with which the Proceeds Account has been opened/is held substantially in the form set out in Schedule 1 or such other form required by the Security Trustee and use reasonable endeavours to ensure that the bank or financial institution acknowledges that notice, and

9.3.2. shall provide notice to the financial institution with which the Proceeds Account is held to confirm that the Security Trustee has withdrawn any consents provided to withdrawals of monies from the Proceeds Account or for any other purpose as requested by the Security Trustee.

9.4. If called upon to do so by the Security Trustee, the Borrower shall execute a legal assignment of the Debts to the Security Trustee in such terms as the Security Trustee may require and give notice of that assignment to the Debtors from whom the Debts are due, owing or incurred.

10. **Equipment**

10.1. The Borrower shall:

10.1.1. maintain the Equipment in good and serviceable condition (except for expected fair wear and tear); and

10.1.2. not to permit any Equipment to be,;

10.1.2.1. used or handled, other than by properly qualified and trained persons; or

10.1.2.2. overloaded or used for any purpose for which it is not designed or reasonably suitable.

10.2. The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of payment to the Security Trustee.

10.3. The Borrower shall:

10.3.1. give the Security Trustee such information concerning the location, condition, use and operation of Equipment as the Security Trustee may require; and

10.3.2. permit any persons designated by the Security Trustee to inspect and examine Equipment and the records relating to Equipment at all reasonable times and on reasonable prior written notice.

10.4. The Borrower shall:

- 10.4.1. at its own expense, procure that the Equipment is covered and kept covered by insurance of a kind satisfactory to the Security Trustee with insurers approved by the Security Trustee (such approval not to be unreasonably withheld) for full comprehensive insurance cover, which shall include (but not be limited to) fire, theft and accident, for an amount which is not less than the aggregate cost of reinstating or replacing such Equipment;
 - 10.4.2. if the Security Trustee so requires, procure that the interest of the Security Trustee is noted on all such insurance policies or, at the option of the Security Trustee, that such insurance policies are issued in the joint names of the Security Trustee and the Borrower; and
 - 10.4.3. maintain insurance for third party liabilities in such amount, and on such terms, as is usual for users of equipment of the same type as the Equipment.
- 10.5. The Borrower shall, if so requested by the Security Trustee, place and maintain on each item of Equipment, in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIPTION OF ITEM] and ancillary equipment is subject to a fixed charge dated [DATE] in favour of Northstar Ventures Limited acting as Security Trustee".

11. **Power to Remedy**

At reasonable times and upon reasonable notice or at any time in case of default by the Borrower in repairing or keeping in repair or insuring the Charged Property or any part thereof or in observing or performing any of the covenants or stipulations affecting the same, the Borrower will permit the Security Trustee or its agents and contractors to enter onto any of the Charged Property and to comply with or object to any notice served on the Borrower in respect of the Charged Property and to effect such repairs or insurance or generally do such things or pay all such costs charges and expenses that the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice. The Borrower will indemnify and keep the Security Trustee indemnified against all losses costs charges and expenses reasonably incurred in connection with the exercise of the powers contained in this clause 11.

12. **Enforcement**

- 12.1. The security constituted by this Debenture shall become enforceable and the power of sale and other powers conferred on mortgagees by the LPA (as varied or amended by this Debenture) shall arise on and be exercisable at any time after the execution of this Debenture and such power together with all the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986 and all or any of the rights and powers conferred by this Debenture shall be immediately

exercisable without further notice to the Borrower

- 12.2. After the security constituted hereby has become enforceable the Security Trustee may in its absolute discretion enforce all or any part of such security in such manner as it sees fit.
- 12.3. For the purposes of all powers implied by statute the Secured Liabilities shall be deemed to have become due and payable on the date hereof and Section 103 of the LPA (restricting the power of sale) and Section 93 of the LPA (restricting the right of consolidation) shall not apply to the security created by this Debenture.
- 12.4. The statutory powers of leasing conferred on the Security Trustee shall be extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee shall think fit and without the need to comply with any of the provisions of Section 99 to 100 of the LPA.

13. **Receiver**

- 13.1. At any time after the security constituted by this Debenture has become enforceable or if so requested by the Borrower the Security Trustee may by instrument in writing appoint (and thereafter remove or substitute) any person or persons to be Receiver of the Charged Property or any part thereof and/or an administrator of the Borrower. If more than one person is appointed they may act and exercise all their powers together or separately. The appointment of a Receiver over part of the Charged Property shall not prevent the appointment being extended or another Receiver being appointed over any other part of the Charged Property.
- 13.2. Any Receiver shall be the agent of the Borrower which shall be solely responsible for his acts and defaults and liable on any contracts entered into or adopted by him and for the payment of his remuneration. The remuneration of any Receiver may be fixed by the Security Trustee but shall be payable by the Borrower alone and may be debited by the Security Trustee to any account of the Borrower but shall in any event form part of the Secured Liabilities.
- 13.3. Every Receiver appointed under this Debenture shall have and be entitled to exercise all of the powers set out below in addition to those conferred by the LPA (without the restrictions contained in s103 of that act) and Schedule I to the Insolvency Act 1986 on mortgagees in possession (but without liability of such) receivers administrative receivers and administrators appointed under those Acts. In addition but without prejudice to the generality of the foregoing the Receiver shall have the power (in the name of the Borrower or otherwise and in such manner and on such terms and conditions as he shall think fit) to:-
 - 13.3.1. take possession of collect and get in all or any part of the property in respect of which he is appointed and for that purpose to take any proceedings;
 - 13.3.2. carry on or concur in carrying on the business of the Borrower and raise money from the Lenders or others on the security of any

property charged by this Debenture;

- 13.3.3. purchase or acquire any land and purchase acquire and grant any interest in or right over land;
 - 13.3.4. sell or concur in selling let or concur in letting and terminate or accept surrenders of leases or tenancies of any property charged by this Debenture and to carry any such transactions into effect;
 - 13.3.5. sell assign let or otherwise dispose of or concur in selling assigning letting or otherwise disposing of all or any of the property in respect of which he is appointed;
 - 13.3.6. make any arrangement or compromise between the Borrower and any other person which he may think expedient;
 - 13.3.7. make and effect all repairs improvement and insurances;
 - 13.3.8. purchase materials tools equipment goods or supplies;
 - 13.3.9. call up any uncalled capital of the Borrower with all the powers conferred by the articles of association of the Borrower in relation to calls;
 - 13.3.10. employ engage and appoint managers and other employees and professional advisors; and
 - 13.3.11. do all such other acts and things as may be considered to be incidental or conducive to any other matters or powers aforesaid or to the realisation of the security constituted by this Debenture for which he lawfully may or can do.
- 13.4. All or any powers conferred on a Receiver by this clause 13 may be exercised by the Lender without first appointing a Receiver or notwithstanding any such appointment.

14. **Application of Proceeds**

- 14.1. All monies received by the Security Trustee or by any Receiver appointed by it pursuant to this Debenture and/or under the powers hereby conferred shall, subject to any prior claims, be applied for the following purposes and unless otherwise determined by the Security Trustee or such receiver in the following order of priority (but without prejudice to the right of the Security Trustee to recover any shortfall from the Borrower):-
- 14.1.1. in or towards satisfaction of or provision for all monies raised or borrowed and all costs charges expenses and liabilities paid or incurred by the Receiver or the Security Trustee including the remuneration of the Receiver;
 - 14.1.2. in or towards payment of the Secured Liabilities; and
 - 14.1.3. the claims of those entitled to any surplus.

provided that the Receiver may retain any money in his hands for so long as he thinks fit, and the Security Trustee may, without prejudice to any other rights the Security Trustee may have at any time and from time to time, place and keep for such time as the Security Trustee think prudent any money received, recovered or realised under or by virtue of this Debenture to or at a separate suspense account to the credit either of the Borrower or of the Security Trustee as the Security Trustee may think fit without any immediate obligation on the part of the Security Trustee to apply such money or any part of such money in or towards the payment or discharge of the Secured Liabilities.

15. **Protection of Third Parties**

- 15.1. No purchaser mortgagee or other person or company dealing with the Security Trustee or the Receiver or his agents shall be concerned to enquire whether any power has arisen become exercisable or is being validly exercised.
- 15.2. The receipt of the Security Trustee or the Receiver shall be an absolute discharge and the payer shall not be obliged to see to the application of monies paid to them.

16. **Protection of Security Trustee and Receiver**

- 16.1. Neither the Security Trustee, any of the Lenders nor the Receiver shall be liable to the Borrower in respect of any loss or damage arising out of the exercise or the attempted purported or failure to exercise any of their respective powers.
- 16.2. Entry into possession of any of the Charged Property shall not render the Security Trustee, any of the Lenders or the Receiver liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable nor shall it prevent the Security Trustee at any time going out of such possession.
- 16.3. The Borrower further covenants with the Security Trustee (even if no Event of Default shall have occurred) that it shall upon demand execute at the Borrower's own cost any document or do any act or thing which may:-
 - 16.3.1. perfect or improve any Security Interest intended to be created by this Debenture (including a legal mortgage over property acquired after the date of this deed); or
 - 16.3.2. facilitate the exercise of any of the powers of the Security Trustee or the Receiver.

17. **Expenses**

- 17.1. The Borrower further covenants with the Security Trustee to:-
 - 17.1.1. reimburse or pay and indemnify the Security Trustee and the Receiver against all costs charges expenses payments losses and liabilities reasonably and properly incurred by the Security Trustee

or the Receiver in connection with the exercise or purported exercise of any of their powers under or the enforcement or preservation of this Debenture or because of any breach of the Borrower of any of its obligations to the Security Trustee.

- 17.1.2. pay all value added or similar tax payable on all monies payable under this Debenture; and
- 17.1.3. pay interest at a rate equal to the Default Rate (as that rate fluctuates) as well after as before judgement from the date of the costs, charges, expenses or payments referred at clause 17.1.1 being incurred or becoming payable until the date the same are unconditionally and irrevocably paid and discharged in full. All such costs charges expenses and payments shall be paid on the basis of a full indemnity.

18. **Assignment and Transfer**

- 18.1. The Security Trustee may at any time, without the consent of the Borrower, assign or transfer the whole or any part of the Security Trustee's rights under this Debenture to any person. The Borrower shall, immediately upon being requested to do so by the Security Trustee and at the cost of the Security Trustee, enter in to such documents as may be necessary or desirable to give effect to such transfers.
- 18.2. The Borrower may not assign or transfer any of its rights (if any) or its obligations under this Debenture (in whole or in part) or enter into any transaction, which would result in any of these rights or obligations passing to another person.

19. **Further Provisions**

19.1. **Discharge Conditional**

Any release, discharge or settlement between the Borrower and the Security Trustee shall be deemed conditional upon no payment or security received in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding up, administration or receivership and, notwithstanding any such release, discharge or settlement:

- 19.1.1. the Security Trustee or its nominee shall be at liberty to retain this Debenture and the security created by or pursuant to this Debenture, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Security Trustee shall deem necessary to provide the Security Trustee with security against and any such avoidance or reduction or order for refund; and
- 19.1.2. the Security Trustee shall be entitled to recover the value or amount of such security or payment from the Borrower subsequently as if such settlement, discharge or release had not occurred and the Borrower agrees with the Security Trustee accordingly and charges the Charged Property and the proceeds of any sale of it with any

liability under this paragraph.

19.2. Rights Cumulative

The rights and powers of the Security Trustee conferred by this Debenture are cumulative, may be exercised as often as the Security Trustee considers appropriate, and are in addition to its rights and powers under the general law.

19.3. Waivers

Any waiver or variation of any right by the Security Trustee (whether arising under this Debenture or under the general law) is only effective if it is in writing and signed by the Security Trustee and applies only in the circumstances for which it was given and shall not prevent the Security Trustee from subsequently relying on the relevant provision.

19.4. Further Exercise of Rights

No act or course of conduct or negotiation by or on behalf of the Security Trustee shall in any way preclude the Security Trustee from exercising any right or power under this Debenture or constitute a suspension or variation of any such right or power.

19.5. Delay

No delay or failure to exercise any right or power under this Debenture shall operate as a waiver.

19.6. Single or Partial Exercise

No single or partial exercise of any right under this Debenture shall prevent any other or further exercise of that or any such right.

19.7. Counterparts

This Debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

19.8. Third Party Rights

A third party (being any person other than the Borrower and the Security Trustee and its permitted successors and assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Debenture and no consent of any third party is required for any amendment, variation or termination of this Debenture.

19.9. Severability

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this Debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some

part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

20. **Power of Attorney**

- 20.1. By way of security for its obligations under this Deed, the Borrower hereby irrevocably appoints the Security Trustee and Receiver, jointly and severally, to be its attorney (with full power of substitution) on behalf of the Borrower and in its name or otherwise to execute any document or do any act or thing which the Security Trustee or the Receiver may in their absolute discretion consider appropriate in the exercise of any of their powers or which the Borrower is obliged to the Security Trustee to execute or do whether under this Debenture or otherwise.
- 20.2. The Borrower hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in clause 20.1 shall do or purport to do in the exercise or purported exercise of all or any of the powers authorises and discretions referred to in such clause.

21. **New Accounts**

If the Security Trustee receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Charged Property and/or the proceeds of sale thereof the Security Trustee or the Lenders may open a new account or accounts. If the Security Trustee or the Lenders do not open a new account they shall nevertheless be treated as if they had done so at the time when they received or were deemed to have received notice as from that time all payments made to the Security Trustee shall be credited or be treated as having been credited to the new account(s) and shall not operate to reduce the amount for which this Debenture is security.

22. **Other Security etc**

- 22.1. The charges in this Debenture are in addition to any other Security Interest which the Security Trustee may have in respect of the Secured Liabilities. Such charges and other Security Interest can be enforced in whatever order the Security Trustee decides.
- 22.2. If there are any Security Interests higher in priority to the charge in this Debenture and any powers and remedies conferred to them are being exercised or enforced against the Charged Property the Security Trustee or any Receiver may redeem or take a transfer of such prior Security Interest, may settle and pass the accounts to the prior chargees which shall be inclusive and binding on the Borrower and all monies paid or costs incurred in such redemption or transfer shall be paid to the Security Trustee on demand and until payment added to the Secured Liabilities.

23. **Notices**

- 23.1. Any notice and any permission, consent, approval or other authorisation to be served upon or given or communicated to one party by the other (in this clause called a "communication") under or in connection with this Debenture shall be in writing and shall be made by fax or letter.

23.2. Each communication to the Borrower shall be made at the following address: Studio 25-26 The Kiln, Hoults Yard, Walker Road, Newcastle upon Tyne NE6 2HL (or any substitute address which the Borrower may notify the Security Agent by not less than five Business Days' notice) will become effective and shall be deemed to have been received by the Borrower as follows (references to times are to times in the place of delivery of the communication):

23.2.1. a hand-delivered letter will be effective as soon as it is delivered; and

23.2.2. a letter sent by first class post or recorded delivery from and to an address in the UK will be effective at 9 am on the second Business Day after it is posted and a letter sent by airmail from or to an address elsewhere will be effective at 9 am on the tenth Business Day after it is posted

for the purposes of this clause 23 if a notice is given or deemed given at a time or on a date which is not a Business Day it shall be deemed to have been given on the next Business Day.

23.3. Each communication to the Security Trustee shall be made at the following address 5th Floor, Maybrook House, 27-35 Grainger Street, Newcastle upon Tyne NE1 5JE marked for the attention of Michelle Cooper (or any substitute address or fax number or department or person which the Security Agent may notify the Borrower by not less than five Business Days notice). Each communication to the Security Trustee will become effective only when actually received by the Security Trustee.

24. **Land Registry**

24.1. In respect of the property the title to which is registered at the Land Registry and in respect of any other registered titles against which this Debenture may be noted the Borrower hereby applied to the Chief Land Registrar for a restriction in following terms to be entered on the Register of Title relating thereto:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of Northstar Ventures Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an Authorised Officer".

25. **Governing Law and Jurisdiction**

25.1. This Debenture and any claim, dispute or matter arising under or in connection with this Debenture (including any non-contractual obligations arising out of or in connection with it) shall be governed by and construed according to the laws of England and Wales.

25.2. The parties to this Debenture irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over

any claim or matter arising out of or in connection with this Debenture. Nothing in this Clause shall limit the right of the Security Trustee to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

Executed as a Deed but not delivered until the date appearing at the beginning of this Deed

Schedule 1

To: *[Insert Name]* Bank plc
(the "Bank")

Dear Sirs,

Notice of Charge over Account

We hereby give you notice that any amount standing to the credit of the following account maintained with you:

Account Number: [Account No]

Sort Code: [Sort Code]

(the "Account") was charged by way of first fixed charge in favour of *[Insert Name]* Limited ("*insert Name*") pursuant to the terms of a debenture entered into by Screenreach Interactive Limited (the "Borrower") in favour of *[Insert Name]* dated *[Insert Date]* (the "Debenture").

Pursuant to the terms of the Debenture, the Borrower is not permitted to make withdrawals of monies from the Account without the prior written consent of *[Insert Name]*. *[Insert Name]* hereby provides its consent to the fact that:

- (a) the Bank may continue to collect instruments/credits payable to or endorsed in favour of the Borrower to its account with the Bank; and
- (b) that the Bank may permit the Borrower to draw against its existing credit balance and the proceeds of instruments/credits collected from time to time to its account with the Bank.

[Insert Name] may withdraw this consent at any time and agrees to notify the Bank if such consent is withdrawn.

The instructions in this letter may not be revoked or amended without the prior consent of *[Insert Name]*.

Please acknowledge by signing and returning one copy of this notice.

Yours faithfully

.....
for and on behalf of *[Insert Name]* Limited

Executed and Delivered as a Deed)
by **Screenreach Interactive Limited**)
acting by a director)

.....Director

In the presence of:

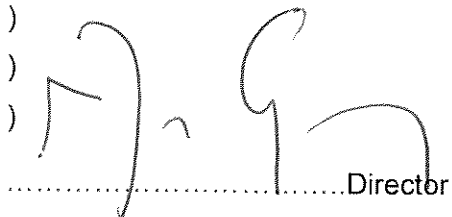
Witness:

Witness signature:

Witness address:

.....
.....

Executed and Delivered as a Deed)
by **Northstar Ventures Limited**)
acting by a director)


.....Director

In the presence of:

Witness: GATLIN MAY.....

Witness signature: C. May.....

Witness address: MAYBROOK HOUSE
27 GRAINGER STREET
NE1 5JE.....